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LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

**ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES AND
THE INSIDE INFORMATION PROVISIONS**

**UPDATE ON THE PROPOSED JOINT VENTURE IN INCHEON,
THE REPUBLIC OF KOREA
AND THE PROPOSED ACQUISITION OF LAND FOR THE PROJECT**

Reference is made to the announcements of Lippo Limited (the “**Company**”) dated 23rd January, 2013, 20th June, 2013, 13th September, 2013, 17th December, 2013, 18th March, 2014 and 21st December, 2015, respectively in respect of the proposed joint venture in Incheon, Korea and the application and re-application made by the Consortium to seek preliminary governmental approval that would allow the parties to design, develop, construct and own the Project and the favourable review granted by MCST on 17th March, 2014 in connection with the re-application. Reference is also made to the discloseable transaction announcement of the Company dated 29th December, 2014 relating to, amongst other things, the entering into of a Conditional LSPA relating to the proposed acquisition of the Target Lots on which the Project is proposed to be located (the “**Discloseable Transaction Announcement**”). Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings as defined in the Discloseable Transaction Announcement.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

As disclosed in the Discloseable Transaction Announcement and the announcement dated 21st December, 2015, there were a number of conditions precedent to Closing of the Conditional LSPA which were to be satisfied and/or waived prior to the Long Stop Date of 31st December, 2015 and as at the date of this announcement, being the Long Stop Date, not all of the conditions precedent to Closing have been satisfied and/or waived and thus, the Conditional LSPA has failed to become unconditional by the Long Stop Date and is consequently terminable by either the Purchasers (on the one hand) or the Vendor (on the other hand). Whilst the Company, together with the other members of the Consortium, are continuing with discussions and negotiations with the Vendor of the Target Lots in relation to the Conditional LSPA, with a view of, amongst other things, discussing mutually acceptable solutions to progress certain of the outstanding conditions precedent to Closing and/or the

possibility of extending the Long Stop Date for such purposes or entering into a new land purchase agreement in respect of the Target Lots, there is no assurance that such discussions and negotiations will result in any agreement, in which case the Project will not proceed.

In addition to the outstanding issues relating to the Conditional LSPA, as at the date of this announcement, there remains to be a number of uncertainties relating to the Project, including without limitation to, whether the members of the Consortium are able to agree and finalize the investment in the Project, the form that the Company's investment will take, and the entering into definitive agreements governing the Project on mutually agreeable terms. There is no certainty as to whether the Project will or will not proceed. Further, the Preliminary Review Approval is conditional and accordingly there is no certainty as to whether the final licence will be granted.

Shareholders and/or potential investors are advised to exercise caution when dealing in the shares of the Company.

The Company will comply with any applicable requirements prescribed by the Listing Rules and/or the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO as and when appropriate and further announcement will be made by the Company with respect to any material development of the Project as and when required.

By Order of the Board

LIPPO LIMITED

John Luen Wai Lee

Managing Director and Chief Executive Officer

Hong Kong, 31st December, 2015

As at the date of this announcement, the Board of Directors of the Company comprises seven directors, of which Dr. Stephen Riady (Chairman) and Mr. John Luen Wai Lee (Managing Director and Chief Executive Officer) as executive Directors, Messrs. Jark Pui Lee and Leon Nim Leung Chan as non-executive Directors and Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung as independent non-executive Directors.